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14 LABORATORIES, INC. (USA), a California corporation, and  
15 Counterclaim Defendants American Latex Corporation and  
16 Calvin Spencer Lee a/k/a Budiman Lee

12 **UNITED STATES DISTRICT COURT**

13 **CENTRAL DISTRICT OF CALIFORNIA**

14 Line One Laboratories Inc. (USA), a California  
15 corporation,

16 Plaintiff,

17 v.

18 Wingpow International Limited, a private limited  
19 company organized in the United Kingdom; Gary  
20 Ayckbourn, an individual; Mark James  
21 Ayckbourn, an individual; and DOES 1-10,  
22 inclusive,

23 Defendants.

24 Wingpow International Limited, a United  
25 Kingdom private limited company,

Counterclaimant,

Case No. 2:22-cv-02401-RAO

**PLAINTIFF/COUNTERCLAIM  
DEFENDANTS LINE ONE  
LABORATORIES, INC., AMERICAN  
LATEX CORP., AND CALVIN  
SPENCER LEE'S OPPOSITION TO  
MOTION FOR ORDER CHARGING  
MEMBERSHIP INTERESTS OF  
JUDGMENT DEBTOR IN LIMITED  
LIABILITIES COMPANIES**

**PLAINTIFF/COUNTERCLAIM DEFENDANTS LINE ONE LABORATORIES, INC.,  
AMERICAN LATEX CORP., AND CALVIN SPENCER LEE'S OPPOSITION TO MOTION  
FOR ORDER CHARGING MEMBERSHIP INTERESTS OF JUDGMENT DEBTOR IN  
LIMITED LIABILITIES COMPANIES**

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v.

Line One Laboratories Inc., a California corporation; Wingpow Manufacturing LLC, a California limited liability company, American Latex Corp., a California corporation, Wing Pow International Corporation, a California Corporation; and Calvin Spencer Lee a/k/a Budiman Lee, an individual,

Counterclaim Defendants.

American Latex Corp., a California corporation; and Calvin Spencer Lee a/k/a Budiman Lee, an individual,

Counterclaimants,

v.

Wingpow International Limited, a private limited company organized in the United Kingdom.

Counterclaim Defendant.

Hon. Rozella A. Oliver

Date: July 2, 2024  
Time: 10:00 a.m.

**I. INTRODUCTION AND FACTUAL BACKGROUND**

Defendants, in their *Motion for Order Charging Membership Interests Of Judgment Debtor In Limited Liability Companies* (the “Motion”), seek a charging order that would assign responsibility to Plaintiff Line One Laboratories, Inc. (“Line One”) and Counterclaim Defendant American Latex Corporation (“American Latex”), for a judgment that was awarded solely against Counterclaim Defendant Calvin Spencer “Budiman” Lee (“Mr. Lee”).

The Motion is defective for three reasons. First, a charging order is unnecessary, because Mr. Lee has applied for a bond to stay execution of the judgment and is presently undertaking the final steps necessary to post the same. Under Fed. R. Civ. P. 62(b), the posting of a bond automatically stays all proceedings to execute a judgment, including charging orders and other mechanisms of state law. Second, due process and California law require Defendants to prove that a judgment debtor (in this case, Mr. Lee) has a valid present interest in the limited liability company, that is the subject of the charging order. Defendants have not met their burden. Nor can they, because all interests in American Latex and Line One are held by the Lee Family Trust, and not by Mr. Lee personally. And finally, in seeking a charging order against American Latex and Line One, and the appointment of a receiver, Defendant Wingpow International

Limited (“WPIL”) and Counterclaim Plaintiffs Gary and Mark Ayckbourn (collectively, “Defendants”) improperly seek to circumvent the Court’s prior determination that Mr. Lee, Line One, and American Latex were not alter egos, and relitigate the Court’s refusal to appoint a Special Master, to conduct an Accounting of the finances of Line One and American Latex.

## II. ARGUMENT

### A. MR. LEE HAS APPLIED FOR A BOND TO STAY EXECUTION, AND A CHARGING ORDER IS UNNECESSARY.

Since Defendants filed their Motion, Mr. Lee filed three robust post-trial motions for relief, and then applied for, and undertook significant efforts to obtain, a bond for the full amount of the judgment, that will stay execution. (*See* Decl. of Christopher Beatty, (“Beatty Declaration”) at ¶2.) Mr. Lee applied for a bond reflecting the entire amount of the judgment at issue on May 21, 2025 and is presently completing the final steps necessary to secure said bond. *Id.*

Once posted and approved, the Bond will stay execution of the judgment, including state-law post-judgment procedures (like a charging order), pending resolution of the recently filed post-trial motions, and any appeal that is necessary. *See* Fed. R. Civ. P. 62(b) (approval of bond or “other security” by the Court stays execution); *also see* Fed. R. Civ. P. 69(a)(1) (authorizing federal courts to follow the

1 “procedure of the state” during the “execution” of a money judgment.)

2 **B. DEFENDANTS HAVE FAILED TO PRODUCE SUBSTANTIAL**  
3 **EVIDENCE SHOWING THAT MR. LEE IS A MEMBER OF LINE**  
4 **ONE AND AMERICAN LATEX.**

5 As a matter of basic due process, and California law, Defendants are obligated to  
6 produce prove that Mr. Lee is a present member of the limited liability companies that  
7 would be subject to a charging order. *See Express Working Capital, LLC v. Starving*  
8 *Students, Inc.*, No. CV 12-0097-VAP, 2017 WL 10605963, at \*2 (C.D. Cal. Mar. 1,  
9 2017) (charging order allowed only where there was “uncontroverted evidence” of  
10 money judgment and debtor’s interest in third-party limited liability company.)  
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13 Here, Defendants rely on testimony from Mr. Lee, offered at trial, that he was the  
14 “100% owner” of American Latex and Line One. (Motion, at 6:25-7:2.) But  
15 Defendants mischaracterize the testimony, which focused on the prior status of  
16 American Latex and Line One as California corporations. (*See, e.g.*, Tr. Transcr. at  
17 770:6-10) (Testimony from Mr. Lee that corporate formalities were not necessary,  
18 because he was previously the “100 percent shareholder” of Line One and American  
19 Latex.)  
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22 There is no dispute that at one time, Mr. Lee was the sole shareholder of two  
23 California corporations (American Latex and Line One) that are party to this action.  
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1 But as Defendants acknowledge, those entities *were converted* to Delaware limited  
2 liability companies, and Defendants offer *no evidence* showing that Lee maintains a  
3 present interest. Because he does not. In fact, Mr. Lee in 2024 transferred all interests  
4 in Line One and American Latex *to the Lee Family Trust*. (See Assignment of  
5 Membership Interest for Line One Laboratories, LLC, October 14, 2024, att'd as Ex.  
6 A to Beatty Decl., Assignment of Membership Interest for American Latex LLC,  
7 October 14, 2024, att'd as Ex. B. To Beatty Decl.) Mr. Lee has no present economic  
8 interest in either business. (*Id.*) Defendants have failed to even mention, much less  
9 attempt to notice or serve, the Lee Family Trust, which would be a necessary and  
10 indispensable party to any determination to charge its interests.  
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14 **C. THE MOTION AND REQUEST FOR APPOINTMENT OF A**  
15 **RECEIVER ARE IMPROPER ATTEMPTS TO RELITIGATE THE**  
16 **COURT'S FINDING ON ALTER EGO AND REFUSAL TO**  
17 **APPOINT A SPECIAL MASTER.**

18 As an initial matter, the request for appointment of a receiver, which is premised  
19 on the charging order request, fails because there is insufficient evidence that Mr. Lee  
20 is a member of the LLCs and indeed uncontroverted evidence to the contrary.  
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22 Present throughout the Motion is a recurrent (and false) allegation that Mr. Lee  
23 has engaged in misconduct intended to avoid payment of the Judgment entered in favor  
24 of Defendants. That allegation is the sole basis for the request by Defendants, that the  
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1 Court appoint a receiver to oversee the operations of two Delaware LLCs: Line One  
2 and American Latex. Notably absent from these allegations is *any evidence* that Mr.  
3 Lee lacks the ability to personally satisfy the Judgment (which was only entered against  
4 him, personally.)  
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6 All of this comes down to an effort by Defendants to circumvent the prior finding  
7 by the Court, that Line One, American Latex, and Mr. Lee were not alter egos, and that  
8 the appointment of a Special Master to oversee the accounting and assets of Line One  
9 was improper. **Mr. Lee** is the judgment debtor, not American Latex or Line One. The  
10 Court declined to pierce the corporate veil. And beyond ordinary estate planning  
11 efforts, which Mr. Lee has testified to by sworn declaration, Defendants proffer no  
12 evidence to suggest that Mr. Lee is not personally capable of, or likely to satisfy the  
13 Judgment entered. The pending submission of a bond for the entire amount of the  
14 Judgment directly contradicts their position. And as Defendants note in their Motion,  
15 appointment of a receiver is only appropriate if there is evidence that a judgment debtor  
16 is unwilling to act in good faith, and satisfy the amount owed. (See Motion, at 6:9-12)  
17 (citing *U.S. v. Alistal Water Corp.*, 325 F. Supp. 2d 1010, 1012 (N.D. Cal. 2002).)  
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23 There is no such evidence here. The record is replete with evidence of Mr. Lee's  
24 personal wealth and ability to satisfy the Judgment for \$6.9 million and the pending  
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1 submission of a bond will guarantee the same to Defendants, should they ultimately  
2 prevail. By seeking the appointment of a receiver to administer Line One and  
3 American Latex, Defendants seek to end-run prior decisions of the Court, and  
4 ultimately to deprive these companies of their assets and potentially force them into  
5 bankruptcy. That is plainly improper, would contravene the prior finding by the Court  
6 on alter ego, and is the exact reason why the Court declined the appoint a Special  
7 Master, in deciding equitable claims brought by the Defendants.  
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10 **III. CONCLUSION**

11 For the reasons stated above, the Court should DENY Defendants' *Motion for*  
12 *Order Charging Membership Interests Of Judgment Debtor In Limited Liability*  
13 *Companies*, and deny the incorporated request for appointment of a receiver.  
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18 Respectfully submitted,

19 Dated: May 28, 2025

**KATTEN MUCHIN ROSENMAN LLP**

20 By: /s/ Christopher D. Beatty  
21 Christopher D. Beatty

22 *Attorneys for Plaintiff and Counterdefendant Line*  
23 *One Laboratories Inc. (USA) and Counterclaim*  
24 *Defendants And Counterclaimants American Latex*  
25 *Corporation and Calvin Spencer Lee a/k/a Budiman*  
*Lee*